



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2015 REGULAR SESSION

SENATE BILL NO. 193

WEDNESDAY, MARCH 4, 2015

The following bill was reported to the House from the Senate and ordered to be printed.

RECEIVED AND FILED
DATE March 30, 2015
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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

1 AN ACT relating to bond transactions.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔ Section 1. KRS 45A.850 is amended to read as follows:

4 (1) (a) Pursuant to KRS 45A.853 and 45A.857, one (1) or more underwriters and one
5 (1) or more bond counsel firms shall be chosen for each of the following
6 agencies:

- 7 1. Turnpike Authority of Kentucky;
- 8 2. Kentucky Housing Corporation;
- 9 3. Kentucky Infrastructure Authority;
- 10 4. Kentucky Higher Education Student Loan Corporation;
- 11 5. Kentucky River Authority;
- 12 6. Kentucky Agricultural Finance Corporation;
- 13 7. Kentucky Local Correctional Facilities Construction Authority;
- 14 8. State Property and Buildings Commission; and
- 15 9. Kentucky Public Transportation Infrastructure Authority.

16 (b) The underwriter and the bond counsel chosen for each agency shall provide
17 their services for all bond issuances over a period of twelve (12) months from
18 their selection. At the conclusion of the twelve (12) month period, the
19 executive director may continue the employment of the underwriter or the
20 bond counsel, on the same terms and conditions, for another twelve (12)
21 month period. If the employment is not continued, the choosing of an
22 underwriter or bond counsel, as appropriate, shall be conducted pursuant to
23 KRS 45A.853 and 45A.857.

24 (2) (a) Pursuant to KRS 45A.853 and 45A.857, one (1) or more underwriters and one
25 (1) or more bond counsel firms shall be chosen to provide their services for all
26 of the following agencies:

- 27 1. School Facilities Construction Commission;

- 1 2. Murray State University;
- 2 3. Western Kentucky University;
- 3 4. University of Louisville when it declines to exercise the authority
- 4 granted under KRS 164A.585(1) and 164A.605;
- 5 5. Northern Kentucky University;
- 6 6. Kentucky State University;
- 7 7. University of Kentucky when it declines to exercise the authority
- 8 granted under KRS 164A.585(1) and 164A.605;
- 9 8. Morehead State University;
- 10 9. Eastern Kentucky University; and
- 11 10. Kentucky Community and Technical College System.

12 (b) The underwriter and the bond counsel chosen for all of the agencies shall
 13 provide their services for all bond issuances of the agencies for a period of
 14 twelve (12) months from the underwriter's and the bond counsel's selection.
 15 At the conclusion of the twelve (12) month period, the executive director may
 16 continue the employment of the underwriter or the bond counsel, on the same
 17 terms and conditions, for another twelve (12) month period. If the
 18 employment is not continued, the choosing of an underwriter or bond counsel,
 19 as appropriate, shall be conducted pursuant to KRS 45A.853 and 45A.857.

20 (3) Pursuant to KRS 45A.853 and 45A.857, one (1) or more financial advisors,
 21 managing underwriters, and remarketing agents and one (1) bond counsel shall be
 22 chosen for the Kentucky Asset/Liability Commission. The commission shall enter
 23 into agreements with the individuals or entities for a maximum contract period of
 24 twenty-four (24) months. At the conclusion of the contract period, the executive
 25 director may continue the employment of the financial advisor, underwriter,
 26 remarketing agent, or bond counsel for another contract period, not to exceed
 27 twenty-four (24) months. If the employment is not continued or terminated, the

1 selection of a financial advisor, underwriter, remarketing agent, or bond counsel, as
 2 appropriate, shall be conducted pursuant to KRS 45A.853 and 45A.857.

3 (4) The office may select national comanaging underwriters and Kentucky comanaging
 4 underwriters who shall provide national and local marketing expertise for bond
 5 issuances. The executive director shall recommend to the secretary of the Finance
 6 and Administration Cabinet the number of national and Kentucky comanaging
 7 underwriters, if any, to be utilized on each bond issuance. The executive director
 8 shall consider the following issues when making the recommendations:


- 9 (a) Principal amount of bonds being issued;
- 10 (b) Structure of the bond issue; and
- 11 (c) Composition of expected buyers of the bonds.

12 Kentucky comanaging underwriters shall be selected pursuant to a request for
 13 proposals. National comanaging underwriters shall be selected pursuant to an
 14 administrative regulation promulgated by the office. For specific bond transactions
 15 under subsection (1) of this section, the executive director may recommend to the
 16 secretary of the Finance and Administration Cabinet as a managing underwriter
 17 the Kentucky underwriter which received the highest score for its proposal
 18 pursuant to this section. Comanaging underwriters selected pursuant to this
 19 subsection shall provide their services to a bond issuing agency as needed over the
 20 appropriate period of time stated in this section.

21 (5) If the executive director recommends to the secretary of the Finance and
 22 Administration Cabinet a Kentucky underwriter as provided by subsection (4) of
 23 this section and the secretary orders that procurement proceed pursuant to KRS
 24 45A.857, the requirements, review, and recommendation of the Capital Projects
 25 and Bond Oversight Committee as provided by KRS 45.810 shall apply.



President of Senate



Speaker House of Representatives

Attest: 

Chief Clerk of Senate

Approved 

Governor

Date 3/30/15